

Adopted	Rejected
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COMMITTEE REPORT

YES: 10

NO: 1

MR. SPEAKER:

Your Committee on Public Policy and Veterans Affairs, to which was referred Senate Bill 27, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new paragraph
- 2 and insert:
- 3 "SECTION 1. IC 7.1-1-2-1 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~Construction.~~ (a)
- 5 This title is an exercise of the police powers of the state.
- 6 (b) The classifications and differentiations made in this title are real
- 7 and are actually and substantially related to the accomplishment of the
- 8 purposes of this title. ~~The provisions of this title shall be liberally~~
- 9 ~~construed so as to effectuate the purposes of this title.~~
- 10 (c) ~~A permittee has only powers expressly granted by statute and~~
- 11 ~~the rules of the commission.~~
- 12 (d) ~~In accordance with IC 1-1-1-8, if any provision of this title is~~
- 13 ~~held to be invalid or unconstitutional, it is the intention of the state~~
- 14 ~~that the remaining provisions of the affected chapter be construed~~
- 15 ~~to:~~
- 16 (1) ~~further limit rather than expand commerce in alcoholic~~

1 **beverages; and**

2 **(2) maintain a transparent and accountable three (3) tier**
3 **system of alcoholic beverage distribution by a person with a**
4 **substantial presence in Indiana.**

5 SECTION 2. IC 7.1-1-3-40.5 IS ADDED TO THE INDIANA
6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2006]: **Sec. 40.5. "Sales clerk" means a**
8 **person who:**

9 **(1) rings up; or**

10 **(2) otherwise records;**

11 **an alcoholic beverage sale in the course of the person's employment**
12 **in a dealer establishment.**

13 SECTION 3. IC 7.1-2-3-16 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) The commission
15 shall have the power to regulate and prohibit advertising, signs,
16 displays, posters, and designs intended to advertise an alcoholic
17 beverage or the place where alcoholic beverages are sold.

18 (b) The commission shall not exercise the prohibition power
19 contained in subsection (a), as to any advertisement appearing in a
20 newspaper which:

21 (1) is published at least once a week;

22 (2) regularly publishes information of current news interest to the
23 community; and

24 (3) circulates generally to the public in any part of this state,
25 regardless of where printed.

26 However, a newspaper shall not include publications devoted to special
27 interests such as labor, religious, fraternal, society, or trade publications
28 or journals, or publications owned or issued by political organizations
29 or parties.

30 (c) The commission shall not exercise the prohibition power
31 contained in subsection (a) as to any advertisement broadcast over duly
32 licensed radio and television stations.

33 (d) All advertisements relating to alcoholic beverages, whether
34 published in a newspaper or broadcast over radio or television, shall
35 conform to the rules and regulations of the commission.

36 (e) The commission shall not exercise the prohibition power
37 contained in subsection (a) as to advertising in the official program of
38 the Indianapolis 500 Race or the Madison Regatta, Inc., Hydroplane

1 Race.

2 (f) Notwithstanding any other law, the commission may not prohibit
 3 the use of an illuminated sign advertising alcoholic beverages by brand
 4 name that is displayed within the interior or on the exterior of the
 5 premises covered by the permit, regardless of whether the sign is
 6 illuminated constantly or intermittently. However, it is unlawful for a
 7 primary source of supply or a wholesaler of alcoholic beverages to sell,
 8 give, supply, furnish, or grant to, or maintain for, a retail or dealer
 9 permittee an illuminated advertising sign **in a manner that violates the**
 10 **trade practice restrictions of the commission or this title.** It is
 11 unlawful for a retail or dealer permittee to receive, accept, display, or
 12 permit to be displayed, an illuminated advertising sign sold, given,
 13 supplied, furnished, granted, or maintained in violation of this
 14 subsection. **When a recipient receives an illuminated sign, the**
 15 **illuminated sign becomes the property and responsibility of the**
 16 **recipient.**

17 (g) The commission may not prohibit the advertisement of:

18 (1) alcoholic beverages; or

19 (2) a place where alcoholic beverages may be obtained;

20 in a program, scorecard, handbill, throw-away newspaper, or menu;
 21 however, those advertisements must conform to the rules of the
 22 commission.

23 SECTION 4. IC 7.1-3-1-14, AS AMENDED BY P.L.224-2005,
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2006]: Sec. 14. (a) It is lawful for an appropriate permittee,
 26 unless otherwise specifically provided in this title, to sell alcoholic
 27 beverages each day Monday through Saturday from 7 a.m., prevailing
 28 local time, until 3 a.m., prevailing local time, the following day. Sales
 29 shall cease wholly on Sunday at 3 a.m., prevailing local time, and not
 30 be resumed until the following Monday at 7 a.m., prevailing local time.

31 (b) It is lawful for the holder of a retailer's permit to sell the
 32 appropriate alcoholic beverages for consumption on the licensed
 33 premises only on Sunday from 10 a.m., prevailing local time, until
 34 12:30 a.m., prevailing local time, the following day.

35 (c) It is lawful for the holder of a permit under this article to sell
 36 alcoholic beverages at athletic or sports events held on Sunday upon
 37 premises that:

38 (1) are described in section 25(a) of this chapter;

(2) are a facility used in connection with the operation of a paved track more than two (2) miles in length that is used primarily in the sport of auto racing; or

(3) are being used for a professional or an amateur tournament; beginning one (1) hour before the scheduled starting time of the event or, if the scheduled starting time of the event is 1 p.m. or later, beginning at noon.

(d) It is lawful for the holder of a valid beer, wine, or liquor wholesaler's permit to sell to the holder of a valid retailer's or dealer's permit at any time.

(e) Notwithstanding subsection (b), if December 31 (New Year's Eve) is on a Sunday, it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages on Sunday, December 31, from 10 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day.

SECTION 5. IC 7.1-3-1-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 25. (a) A city or county listed in this subsection that by itself or in combination with any other municipal body acquires by ownership or by lease any stadium, exhibition hall, auditorium, theater, convention center, or civic center may permit the retail sale of alcoholic beverages upon the premises if the governing board of the facility first applies for and secures the necessary permits as required by this title. The cities and counties to which this subsection applies are as follows:

(1) A consolidated city or its county.

(2) A city of the second class.

(3) A county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).

(4) A county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000).

(5) A county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(6) A county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

1 (7) A city having a population of more than five thousand one
 2 hundred thirty-five (5,135) but less than five thousand two
 3 hundred (5,200).

4 (8) A county having a population of more than one hundred
 5 twenty thousand (120,000) but less than one hundred thirty
 6 thousand (130,000).

7 (9) A county having a population of more than one hundred eighty
 8 thousand (180,000) but less than one hundred eighty-two
 9 thousand seven hundred ninety (182,790).

10 (b) A county having a population of more than four hundred
 11 thousand (400,000) but less than seven hundred thousand (700,000) or
 12 a township located in such a county that has established a public park
 13 with a golf course within its jurisdiction under IC 36-10-3 or
 14 IC 36-10-7 may be issued a permit for the retail sale of alcoholic
 15 beverages on the premises of any community center within the park,
 16 including a clubhouse, social center, or pavilion.

17 (c) A township that:

18 (1) is located in a county having a population of more than one
 19 hundred five thousand (105,000) but less than one hundred ten
 20 thousand (110,000); and

21 (2) acquires ownership of a golf course;
 22 may permit the retail sale of alcoholic beverages upon the premises of
 23 the golf course, if the governing board of the golf course first applies
 24 for and secures the necessary permits required by this title.

25 (d) A township:

26 (1) having a population of more than thirty-five thousand (35,000)
 27 but less than one hundred thousand (100,000); and

28 (2) located in a county having a population of more than four
 29 hundred thousand (400,000) but less than seven hundred thousand
 30 (700,000);

31 may be issued a permit for the retail sale of alcoholic beverages on the
 32 premises of any community center or social center that is located within
 33 the township and operated by the township.

34 (e) A city that

35 ~~(1) has a population of:~~

36 ~~(A) more than fifty-nine thousand seven hundred (59,700) but~~
 37 ~~less than sixty-five thousand (65,000); or~~

38 ~~(B) more than forty-six thousand five hundred (46,500) but~~

- 1 ~~less than fifty thousand (50,000); and~~
 2 ~~(2)~~ owns a golf course
 3 may permit the retail sale of alcoholic beverages upon the premises of
 4 the golf course if the governing board of the golf course first applies for
 5 and secures the necessary permits required by this title.
- 6 (f) A city that:
 7 (1) has a population of more than thirty-two thousand (32,000) but
 8 less than thirty-two thousand eight hundred (32,800); and
 9 (2) owns or leases a marina;
 10 may permit the retail sale of alcoholic beverages upon the premises of
 11 the marina, if the governing board of the marina first applies for and
 12 secures the necessary permits required by this title. The permit may
 13 include the carryout sale of alcoholic beverages in accordance with
 14 IC 7.1-3-4-6(c), IC 7.1-3-9-9(c), IC 7.1-3-14-4(c), and 905 IAC 1-29
 15 but may not include at-home delivery of alcoholic beverages.
- 16 (g) A city listed in this subsection that owns a marina may be issued
 17 a permit for the retail sale of alcoholic beverages on the premises of the
 18 marina. The permit may include the carryout sale of alcoholic
 19 beverages in accordance with IC 7.1-3-4-6(c), IC 7.1-3-9-9(c),
 20 IC 7.1-3-14-4(c), and 905 IAC 1-29 but may not include at-home
 21 delivery of alcoholic beverages. However, the city must apply for and
 22 secure the necessary permits that this title requires. This subsection
 23 applies to the following cities:
- 24 (1) A city having a population of more than ninety thousand
 25 (90,000) but less than one hundred five thousand (105,000).
 26 (2) A city having a population of more than seventy-five thousand
 27 (75,000) but less than ninety thousand (90,000).
 28 (3) A city having a population of more than thirty-two thousand
 29 eight hundred (32,800) but less than thirty-three thousand
 30 (33,000).
 31 (4) A city having a population of more than thirty-three thousand
 32 (33,000) but less than thirty-six thousand (36,000).
 33 (5) A city having a population of more than twenty-seven
 34 thousand (27,000) but less than twenty-seven thousand four
 35 hundred (27,400).
- 36 (h) Notwithstanding subsection (a), the commission may issue a
 37 civic center permit to a person that:
 38 (1) by the person's self or in combination with another person is

the proprietor, as owner or lessee, of an entertainment complex;
or

(2) has an agreement with a person described in subdivision (1) to act as a concessionaire for the entertainment complex for the full period for which the permit is to be issued."

Page 2, line 24, delete "alcohol" and insert "**alcoholic**".

Page 6, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 21. IC 7.1-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~Application~~. The commission may issue a brewer's permit to a person who desires to commercially manufacture beer **in Indiana**.

SECTION 22. IC 7.1-3-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) Except as provided in subsection (b), the commission may issue a brewer's permit only to:

- (1) an individual;
- (2) a partnership ~~all the partners of which are bona fide residents of Indiana;~~ **domiciled in or admitted to do business in Indiana;**
- (3) a limited liability company ~~all the members of which are bona fide residents of~~ **domiciled in or admitted to do business in** Indiana; or
- (4) a corporation ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana. ~~and having authority under its charter to manufacture or sell beer.~~

(b) The commission may issue a brewer's permit to a brewer for a brewery that manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year to:

- (1) an individual;
- (2) a partnership ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana;
- (3) a limited liability company ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana; or
- (4) a corporation ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana.

SECTION 23. IC 7.1-3-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do **only**

1 the following:

- 2 (1) Manufacture beer.
3 (2) Place beer in containers or bottles.
4 (3) Transport beer.
5 (4) Sell and deliver beer to a person holding a beer wholesaler's
6 permit issued under IC 7.1-3-3.

7 (5) If the brewer's brewery manufactures not more than twenty
8 thousand (20,000) barrels of beer in a calendar year, do the
9 following:

10 (A) Sell and deliver beer to a person holding a retailer or a
11 dealer permit under this title.

12 (B) Be the proprietor of a restaurant.

13 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
14 liquor retailer's permit for a restaurant established under clause
15 (B).

16 (D) Transfer beer directly from the brewery to the restaurant
17 by means of:

18 (i) bulk containers; or

19 (ii) a continuous flow system.

20 (E) Install a window between the brewery and an adjacent
21 restaurant that allows the public and the permittee to view both
22 premises.

23 (F) Install a doorway or other opening between the brewery
24 and an adjacent restaurant that provides the public and the
25 permittee with access to both premises.

26 (G) Sell the brewery's beer by the glass for consumption on the
27 premises. Brewers permitted to sell beer by the glass under this
28 clause must furnish the minimum food requirements prescribed
29 by the commission.

30 **(H) Sell and deliver beer to a consumer at the plant of the**
31 **brewer or at the residence of the consumer. The delivery to**
32 **a consumer shall be made only in a quantity at any one (1)**
33 **time of not more than one-half (½) barrel, but the beer may**
34 **be contained in bottles or other permissible containers.**

35 (6) If the brewer's brewery manufactures more than twenty
36 thousand (20,000) barrels of beer in a calendar year, own a
37 portion of the corporate stock of another brewery that:

38 (A) is located in the same county as the brewer's brewery;

1 (B) manufactures less than twenty thousand (20,000) barrels of
2 beer in a calendar year; and

3 (C) is the proprietor of a restaurant that operates under
4 subdivision (5).

5 ~~(7) Sell and deliver beer to a consumer at the plant of the brewer~~
6 ~~or at the residence of the consumer. The delivery to a consumer~~
7 ~~shall be made only in a quantity at any one (1) time of not more~~
8 ~~than one-half (½) barrel; but the beer may be contained in bottles~~
9 ~~or other permissible containers.~~

10 ~~(8)~~ (7) Provide complimentary samples of beer that are:

11 (A) produced by the brewer; and

12 (B) offered to consumers for consumption on the brewer's
13 premises.

14 ~~(9)~~ (8) Own a portion of the corporate stock of a sports
15 corporation that:

16 (A) manages a minor league baseball stadium located in the
17 same county as the brewer's brewery; and

18 (B) holds a beer retailer's permit, a wine retailer's permit, or a
19 liquor retailer's permit for a restaurant located in that stadium.

20 ~~(10)~~ (9) For beer described in IC 7.1-1-2-3(a)(4):

21 (A) may allow transportation to and consumption of the beer
22 on the licensed premises; and

23 (B) may not sell, offer to sell, or allow sale of the beer on the
24 licensed premises.

25 SECTION 24. IC 7.1-3-5-4 IS ADDED TO THE INDIANA CODE
26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2006]: **Sec. 4. (a) A holder of a beer dealer's permit must**
28 **have at least one (1) employee who:**

29 **(1) works on the licensed premises; and**

30 **(2) holds an employee's permit under IC 7.1-3-18-9.**

31 **(b) Beginning January 1, 2007, a holder of a beer dealer's permit**
32 **must ensure that a sales clerk working on the licensed premises**
33 **receives training approved by the commission and provided by an**
34 **employee described in subsection (a).**

35 **(c) The commission may adopt rules under IC 4-22-2 to**
36 **implement this section.**

37 SECTION 25. IC 7.1-3-6-2 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 2. Persons Eligible for**

~~Permits.~~ The commission may issue a temporary beer permit to a person who is qualified to hold a beer retailer's permit and who has such other qualifications as the commission may prescribe by a provisional order until it adopts a rule or regulation on the matter. However, the special disqualifications listed in ~~IC 1971, 7.1-3-4-2(c), (h), and (m) and the residency requirements provided in IC 1971, 7.1-3-21-3;~~ **IC 7.1-3-4-2(a)(3), IC 7.1-3-4-2(a)(8), and IC 7.1-3-4-2(a)(13)** shall not apply to an applicant for a temporary beer permit.

SECTION 26. IC 7.1-3-10-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 14. (a) This section does not apply to a package liquor store.**

(b) Beginning January 1, 2007, and except as provided in subsection (c), a holder of a liquor dealer's permit must display liquor for sale in a clearly designated area that forbids the presence of a minor unless the minor is accompanied by a parent or guardian who is at least twenty-one (21) years of age. Other alcoholic beverages may be displayed in a designated area where liquor is displayed under this subsection.

(c) The holder of a liquor dealer's permit is not required to comply with subsection (b) if the holder of the liquor dealer's permit:

(1) displays liquor in an area that does not exceed twenty-five (25) linear feet; and

(2) uses at least one (1) of the following security measures:

(A) The liquor is displayed behind a retail counter or in a locked display case.

(B) Each bottle of liquor for sale on the licensed premises has a security cap.

(C) The liquor is displayed adjacent to a pharmacy counter.

(d) Liquor may not be displayed within thirty (30) feet of a public entrance of a licensed premises.

(e) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 27. IC 7.1-3-10-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2006]: **Sec. 15. (a) This section does not apply to a package liquor store.**

(b) A holder of a liquor dealer's permit must have at least one (1) employee who:

(1) works on the licensed premises; and

(2) holds an employee's permit under IC 7.1-3-18.

(c) Beginning January 1, 2007, a holder of a liquor dealer's permit must ensure that a sales clerk working on the licensed premises receives training approved by the commission and provided by an employee described in subsection (b).

(d) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 28. IC 7.1-3-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. The commission may issue a farm winery permit to a person who is the proprietor of a farm winery and who desires to commercially manufacture wine. A farm winery permit shall be valid from July 1, of the then current year to June 30, of the following year. ~~IC 7.1-3-21-5 does not apply to a farm winery permit issued under this chapter.~~ The commission may not issue a farm winery permit to a person who has not been a continuous and bona fide resident of Indiana for at least one (1) year preceding the date of the application for a farm winery permit.

SECTION 29. IC 7.1-3-15-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 4. (a) A holder of a wine dealer's permit must have at least one (1) employee who:**

(1) works on the licensed premises; and

(2) holds an employee's permit under IC 7.1-3-18.

(b) Beginning January 1, 2007, a holder of a wine dealer's permit must ensure that a sales clerk working on the licensed premises receives training approved by the commission and provided by an employee described in subsection (a).

(c) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 30. IC 7.1-3-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. ~~Persons Eligible for Permits.~~ The commission may issue a temporary wine permit to a person who is qualified to hold a beer retailer's permit and who has

1 such other qualifications as the commission may prescribe by a
 2 provisional order until it adopts a rule or regulation on the matter.
 3 However, the special disqualifications listed in ~~IC 1971,~~
 4 **IC 7.1-3-4-2(c), (h), and (m) and the residency requirements provided**
 5 ~~in IC 1971, 7.1-3-21-3,~~ shall not apply to an applicant for a temporary
 6 wine permit.

7 SECTION 31. IC 7.1-3-18-9 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) The commission
 9 may issue an employee's permit to a person who desires to act as:

10 (1) a sales clerk in a:

11 (A) drugstore;

12 (B) grocery store; or

13 (C) package liquor store; or ~~as~~

14 (2) a bartender, waiter, waitress, or manager in a retail
 15 establishment. ~~excepting dining car and boat employees.~~

16 (b) A permit authorized by this section is conditioned upon the
 17 compliance by the holder with reasonable rules relating to the permit
 18 which the commission may prescribe from time to time.

19 (c) A permit issued under this section entitles its holder to work for
 20 any lawful employer. However, a person may work without an
 21 employee's permit for thirty (30) days from the date shown on a receipt
 22 for a cashier's check or money order payable to the commission for that
 23 person's employee's permit application.

24 (d) A person who, for a package liquor store or retail establishment,
 25 is:

26 (1) the sole proprietor;

27 (2) a partner, a general partner, or a limited partner in a
 28 partnership or limited partnership that owns the business
 29 establishment;

30 (3) a member of a limited liability company that owns the
 31 business establishment; or

32 (4) a stockholder in a corporation that owns the business
 33 establishment;

34 is not required to obtain an employee's permit in order to perform any
 35 of the acts listed in subsection (a).

36 (e) An applicant may declare on the application form that the
 37 applicant will use the employee's permit only to perform volunteer
 38 service that benefits a nonprofit organization. It is unlawful for an

1 applicant who makes a declaration under this subsection to use an
 2 employee's permit for any purpose other than to perform volunteer
 3 service that benefits a nonprofit organization.

4 (f) ~~An applicant is not entitled to~~ **The commission may not issue**
 5 an employee's permit if: ~~(1) the~~ **to an applicant while the applicant** is
 6 serving a sentence for a conviction for operating while intoxicated,
 7 including any term of probation or parole.

8 ~~(2) the~~

9 **(g) The commission may not issue an employee's permit to an**
 10 applicant **who** has ~~more than one (1) but less than three (3)~~ **two (2)**
 11 unrelated convictions for operating while intoxicated ~~and less than two~~
 12 ~~(2) years have elapsed after the applicant completed the applicant's~~
 13 ~~sentence for a conviction for operating while intoxicated; including any~~
 14 ~~term of probation or parole; or if:~~

15 **(1) the first conviction occurred less than ten (10) years before**
 16 **the date of the applicant's application for the permit; and**

17 **(2) the applicant completed the sentence for the second**
 18 **conviction, including any term of probation or parole, less**
 19 **than two (2) years before the date of the applicant's**
 20 **application for the permit.**

21 ~~(3) the~~

22 **(h) If an applicant for an employee's permit** has at least three (3)
 23 unrelated convictions for operating while intoxicated **and the applicant**
 24 **completed the sentence for the most recent conviction at least ten**
 25 **(10) years before the date of the applicant's application for the**
 26 **permit, the commission may grant or deny the issuance of the**
 27 **permit.**

28 ~~(g)~~ **(i)** The commission shall revoke a permit issued to an employee
 29 under this section if:

30 (1) the employee is convicted of a Class B misdemeanor for
 31 violating IC 7.1-5-10-15(a); or

32 (2) the employee ~~becomes ineligible for the issuance of an~~
 33 ~~employee's permit under subsection (f):~~ **is convicted of operating**
 34 **while intoxicated after the issuance of the permit.**

35 The commission may revoke a permit issued to an employee under this
 36 section for any violation of this title or the rules adopted by the
 37 commission.

38 **(j) This section does not apply to a dining car, boat, or airline**

1 **employee.**

2 SECTION 32. IC 7.1-3-20-1 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~Clubs. General~~
4 ~~Requirements.~~ **(a)** In order to be considered a "club" within the
5 meaning of this title and to be eligible to receive an appropriate club
6 permit under this title, an association or corporation shall meet the
7 following requirements:

8 ~~(a)~~ **(1)** It shall have been organized in good faith under authority
9 of law.

10 ~~(b)~~ **(2)** It shall have been in active, continuous existence for at
11 least three (3) years prior to the date the application for the permit
12 is filed.

13 ~~(c)~~ **(3)** It shall have maintained, in good faith, a membership roll
14 for the three (3) year period.

15 ~~(d)~~ **(4)** It shall have a paid-up membership of more than fifty (50)
16 members at the time the application is filed.

17 ~~(e)~~ **(5)** It shall be the owner, lessee, or occupant of an
18 establishment operated solely for objects of a national, social,
19 patriotic, political, or athletic nature, or the like.

20 ~~(f)~~ **(6)** It shall not be operated for pecuniary gain.

21 ~~(g)~~ **(7)** The property and the advantages of the organization shall
22 belong to its members. ~~and~~

23 ~~(h)~~ **(8)** It shall maintain an establishment provided with special
24 space and ~~accommodations~~ **accommodations** where, in
25 consideration of payment, food, with or without lodging, is
26 habitually served.

27 **(b) An association or a corporation located within a consolidated**
28 **city is considered a club if the association or corporation:**

29 **(1) has held an annual bingo license issued by the state for at**
30 **least ten (10) consecutive years;**

31 **(2) has been in existence in Indiana for at least twenty-five (25)**
32 **years;**

33 **(3) does not allow a person less than eighteen (18) years of age**
34 **to be a member, a guest, a worker, or an operator; and**

35 **(4) complies with subsection (a)(1), (a)(2), (a)(5), (a)(6), and**
36 **(a)(8).**

37 SECTION 33. IC 7.1-3-21-14 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. ~~Indiana State Fair.~~

(a) The commission shall ~~not~~ issue a permit for the sale of alcoholic beverages on the Indiana state fair grounds ~~during the period of the Indiana State Fair; to the Indiana state fair commission.~~

(b) The holder of a permit under this section is:

(1) entitled to sell alcoholic beverages on the state fair grounds to consumers by the glass;

(2) entitled to permit multiple vendors of the state fair commission with separate permits at different locations on the state fair grounds to sell alcoholic beverages by the glass under the permit;

(3) entitled to receive the permit directly from the commission without local board approval;

(4) not subject to quota restrictions under IC 7.1-3-22-3; and

(5) entitled to allow a minor to be present in the places where alcoholic beverages are sold.

(c) The holder of a permit under this section must comply with the following requirements:

(1) File a floor plan of the premises where alcoholic beverages will be served and consumed.

(2) Provide that service of alcoholic beverages may be performed only by servers certified under IC 7.1-3-1.5.

(3) Allow sales during the times prescribed under IC 7.1-3-1-14.

(4) Prohibit sales prohibited under IC 7.1-5-10-1 and IC 7.1-5-10-17.

(5) Operate under rules adopted by the commission to protect the public interest under IC 7.1-1-1.

SECTION 34. IC 7.1-5-7-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16. The commission shall conduct random unannounced inspections at locations where alcoholic beverages are sold or distributed to ensure compliance with this title. Only the commission, an Indiana law enforcement agency, the office of the sheriff of a county, or an organized police department of a municipal corporation may conduct the random unannounced inspections. These entities may use retired or off-duty law enforcement officers to conduct inspections under this section.**

SECTION 35. IC 7.1-5-7-17 IS ADDED TO THE INDIANA

CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE UPON PASSAGE]: **Sec. 17. (a) Notwithstanding any other law, an enforcement officer vested with full police powers and duties may engage a person who is:**

(1) at least eighteen (18) years of age; and

(2) less than twenty-one (21) years of age;

to receive or purchase alcoholic beverages as part of an enforcement action under this article.

(b) The initial or contemporaneous receipt or purchase of an alcoholic beverage under this section by a person described in subsection (a) must:

(1) occur under the direction of an enforcement officer vested with full police powers and duties; and

(2) be a part of the enforcement action.

SECTION 36. IC 7.1-5-10-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: ~~Sec. 12. Credit Sales Prohibited:~~ **(a) This section does not apply to a permittee that sells or offers to sell an alcoholic beverage to an individual who does not hold a permit under this title.**

(b) It is unlawful for a permittee to sell, offer to sell, purchase, or receive an alcoholic beverage for anything other than cash. A permittee who extends credit in violation of this section shall have no right of action on the claim.

(c) This section ~~shall~~ **does** not prohibit:

(1) a permittee from crediting to a purchaser the actual price charged for a package or an original container returned by the original purchaser as a credit on a sale;

(2) ~~This section shall not prohibit~~ a permittee from refunding to a purchaser the amount paid by the purchaser for a container, or as a deposit on a container, if it is returned to the permittee;

(3) ~~This section shall not prohibit~~ a manufacturer from extending usual and customary credit for alcoholic beverages sold to a customer who maintains a place of business outside this state when the alcoholic beverages are actually shipped to a point outside this state; **or**

(4) ~~This section shall not prohibit~~ a distiller or a liquor or wine wholesaler from extending credit on liquor, flavored malt beverages, and wine sold to a permittee for a period of fifteen (15)

1 days from the date of invoice, date of invoice included. However,
 2 if the fifteen (15) day period passes without payment in full, the
 3 wholesaler shall sell to that permittee on a cash on delivery basis
 4 only.

5 SECTION 37. IC 7.1-5-10-23 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2006]: **Sec. 23. (a) It is unlawful for a person**
 8 **who is the proprietor of a package liquor store, drug store, or**
 9 **grocery store to allow a purchaser of alcoholic beverages, or any**
 10 **other person who is not a sales clerk, to ring up or otherwise record**
 11 **an alcoholic beverage sale.**

12 **(b) It is unlawful for a purchaser of alcoholic beverages, or any**
 13 **other person who is not a sales clerk, to ring up or otherwise record**
 14 **an alcoholic beverage sale in a:**

15 **(1) drug store;**

16 **(2) grocery store; or**

17 **(3) package liquor store.**

18 SECTION 38. IC 24-3-2-3 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 3. (a) It is a Class A**
 20 **infraction for a retailer or distributor ~~with intent to injure competitors~~**
 21 **~~or destroy or substantially lessen competition;~~ to offer to sell or sell at**
 22 **retail or wholesale cigarettes at less than the cost to him; the retailer**
 23 **or distributor. The department may do either of the following if a**
 24 **retailer or a distributor violates this subsection:**

25 **(1) Revoke or suspend the:**

26 **(A) registration certificate held by ~~such a~~ the distributor under**
 27 **IC 6-7-1; may be revoked; by the department or**

28 **(B) tobacco certificate held by the retailer;**

29 **for the balance of the term thereof; for a period of time as**
 30 **determined by the department.**

31 **(2) Impose a civil penalty under IC 7.1-3-18.5.**

32 **(b) Evidence of offering to sell or sale of cigarettes by any retailer**
 33 **or distributor at less than the cost to him is prima facie evidence of**
 34 **intent to injure competitors and to destroy or substantially lessen**
 35 **competition.**

36 **(c) Notwithstanding IC 34-28-5-5(c), a judgment for a violation of**
 37 **this section shall be deposited in the enforcement and administration**
 38 **fund established under IC 7.1-4-10-1.**

1 SECTION 39. THE FOLLOWING ARE REPEALED
 2 [EFFECTIVE JULY 1, 2006]: IC 7.1-3-1.5-7; IC 7.1-3-21-3;
 3 IC 7.1-3-21-4; IC 7.1-3-21-5; IC 7.1-3-21-5.2; IC 7.1-3-21-5.4;
 4 IC 7.1-3-21-6; IC 7.1-3-21-7; IC 24-3-2-7; IC 24-3-2-11."
 5 Page 6, delete lines 12 through 13.
 6 Page 6, line 35, after "IC 7.1-3-1.5" delete ",".
 7 Page 7, line 37, delete "individual" and insert "**individuals**".
 8 Page 7, after line 40, begin a new paragraph and insert:
 9 "SECTION 42. **An emergency is declared for this act.**".
 10 Renumber all SECTIONS consecutively.
 (Reference is to SB 27 as printed January 25, 2006.)

and when so amended that said bill do pass.

Representative Stutzman